

## MINUTES

### MONTANA HOUSE OF REPRESENTATIVES 65th LEGISLATURE - REGULAR SESSION

#### COMMITTEE ON TAXATION

**Call to Order:** Vice Chair Tom Jacobson, on February 9, 2017 at 8:00 AM, in Room 152 Capitol

#### ROLL CALL

**Members Present:**

Rep. Jeff Essmann, Chair (R)  
Rep. Kelly Flynn, Vice Chair (R)  
Rep. Tom Jacobson, Vice Chair (D)  
Rep. Kim Abbott (D)  
Rep. Becky Beard (R)  
Rep. Mary Ann Dunwell (D)  
Rep. Dave Fern (D)  
Rep. Wylie Galt (R)  
Rep. Jim Hamilton (D)  
Rep. Adam Hertz (R)  
Rep. Greg Hertz (R)  
Rep. George G. Kipp III (D)  
Rep. Steve Lavin (R)  
Rep. James O'Hara (R)  
Rep. Alan Redfield (R)  
Rep. Tom Welch (R)  
Rep. Kerry White (R)

**Members Excused:**

Rep. Zach Brown (D)  
Rep. Ron Ehli (R)  
Rep. Bridget Smith (D)

**Members Absent:** None

**Staff Present:** Margot Miltenberger, Committee Secretary  
Megan Moore, Legislative Branch

**Audio Committees:** These minutes are in outline form only. They provide a list of participants and a record of official action taken by the committee. The link to the audio recording of the meeting is available on the Legislative Branch website.

**Committee Business Summary:**

Hearing & Date Posted: SB 27, 2/6/2017; HB 396, 2/6/2017; HB 403, 2/6/2017  
Executive Action on: HB 330; HB 331; HB 335

**HEARING ON SB 27****Opening Statement by Sponsor:**

00:02:50 Sen. Fred Thomas (R), SD 44, opened the hearing on SB 27, Amend TIF laws related to public hearings and reporting.

00:08:11 Rep. B. Smith joined the meeting

**Proponents:**

00:11:06 Kelly Lynch, Montana League of Cities and Towns (MLCT)  
00:11:57 Abigail St. Lawrence, Montana Building Industry Association (MBIA)  
00:11:59 Vice Chair Jacobson relinquished the chair to Vice Chair Flynn  
00:12:54 Ellen Buchanan, Redevelopment Housing and Economic Development of Missoula  
00:13:47 Bob Gilbert, City of Colstrip

**Opponents:** None

**Informational Witnesses:** None

**Questions from Committee Members and Responses:**

00:14:59 Rep. Dunwell  
00:16:50 Sen. Thomas  
00:17:21 Rep. Essmann  
00:20:08 Kelly Lynch, MLCT  
00:21:14 Rep. Essmann  
00:21:51 Sen. Thomas  
00:23:57 Rep. Essmann  
00:24:19 Kelly Lynch, MLCT  
00:25:51 Rep. Dunwell  
00:26:33 Kelly Lynch, MLCT  
00:26:43 Rep. Essmann  
00:27:13 Kelly Lynch, MLCT

**Closing by Sponsor:**

00:27:27 Sen. Thomas

**HEARING ON HB 396****Opening Statement by Sponsor:**

00:29:58 Rep. Bruce Grubbs (R), HD 68, opened the hearing on HB 396, Revise laws related to tax increment financing.

**Proponents:**

00:35:46 Eric Bryson, Montana Association of Counties (MACo)  
00:38:00 Bob Vogel, Montana School Board Association (MTSBA)  
00:39:59 Tim Burton, Montana League of Cities and Towns (MLCT)  
00:41:11 Ellen Buchanan, Redevelopment Housing and Economic Development of Missoula  
00:42:10 Pat Audet, School Administrators of Montana (SAM)  
00:43:14 Bob Gilbert, City of Colstrip

**Opponents:** None

**Informational Witnesses:** None

**Questions from Committee Members and Responses:**

00:44:49 Rep. White  
00:47:25 Rep. Grubbs  
00:47:54 Tim Burton, MLCT  
00:50:00 Rep. White  
00:51:12 Rep. Grubbs  
00:51:24 Rep. Hamilton  
00:53:48 Rep. Grubbs  
00:54:59 Rep. Beard  
00:55:42 Tim Burton, MLCT  
00:57:11 Rep. Essmann  
00:58:12 Eric Bryson, MACo  
00:58:26 Rep. Abbott  
00:58:54 Eric Bryson, MACo

**Closing by Sponsor:**

01:01:19 Rep. Grubbs

**HEARING ON HB 403**

**Opening Statement by Sponsor:**

01:02:57 Rep. Adam Hertz (R), HD 96, opened the hearing on HB 403, Revise TIF laws to require remittance if increment exceeds certain level.

**Proponents:** None

**Opponents:**

01:11:02 Ken Fichtler, Governor's Office of Economic Development (GOED)  
01:13:46 Ronda Wiggers, Montana County Treasurers Association (MCTA)  
01:18:41 Eric Bryson, Montana Association of Counties (MACo)  
01:19:55 Doug Russell, City of Kalispell  
01:25:31 Tim Burton, Montana League of Cities and Towns (MLCT)  
01:29:30 Kristen Rosa, Community and Economic Development for Butte-Silverbow  
01:31:19 Ellen Buchanan, Redevelopment Housing and Economic Development for Missoula  
01:34:53 Greg Dorrington, City of Bozeman  
01:35:50 Bob Gilbert, City of Colstrip

**Informational Witnesses:** None

**Questions from Committee Members and Responses:**

01:38:48 Rep. White  
01:40:05 Ronda Wiggers, Montana County Treasurers Association (MCTA)  
01:40:19 Rep. Essmann  
01:44:33 Tim Burton, MLCT  
01:46:04 Rep. Fern  
01:51:33 Rep. A. Hertz

01:52:58 Rep. Hamilton

01:54:27 Rep. A. Hertz

**Closing by Sponsor:**

01:54:42 Rep. A. Hertz

01:56:02 Recessed

02:24:57 Reconvened

**EXECUTIVE ACTION ON HB 330**

02:25:33 **Motion:** Rep. Abbott moved that **HB 330 DO PASS.**

**Discussion:**

02:25:43 Megan Moore, Legislative Services Division (LSD)

02:26:09 Rep. Fern

02:26:36 Rep. Abbott

02:27:02 Rep. Flynn

02:27:12 Without objection, Rep. Abbott withdrew the **DO PASS** motion.

**EXECUTIVE ACTION ON HB 335**

02:27:37 **Motion:** Rep. White moved that **HB 335 DO PASS.**

**Discussion:**

02:27:48 Megan Moore, LSD

02:28:11 Rep. A. Hertz

02:29:06 Rep. Jacobson

02:30:25 Rep. White

02:31:13 Rep. Fern

02:31:44 **Vote:** Motion carried 12-8 by roll call vote with Rep. Abbott, Rep. Z. Brown, Rep. Dunwell, Rep. Fern, Rep. Hamilton, Rep. Jacobson, Rep. Kipp and Rep. B. Smith voting no. Rep. Z. Brown and Rep. Ehli voted by proxy.

**EXECUTIVE ACTION ON HB 239**

02:33:36 **Motion:** Rep. Essmann moved that **HB 239 DO PASS.**

**Discussion:**

02:33:47 Megan Moore, LSD

02:34:42 Rep. Flynn

02:34:51 **Motion:** Rep. White moved that **HB 239 BE AMENDED.**

**EXHIBIT**(tah29a01)

02:35:49 **Vote:** Motion carried unanimously by voice vote. Rep. Z. Brown and Rep. Ehli voted by proxy.

02:36:26      **Motion:** Rep. White moved that **HB 239 DO PASS AS AMENDED.**

02:36:36      **Motion:** Rep. White moved that **HB 239 BE AMENDED.**  
**EXHIBIT**(tah29a02)

**Discussion:**

02:37:16      Rep. White

02:37:43      **Vote:** Motion carried unanimously by roll call vote. Rep. Z. Brown and Rep. Ehli voted by proxy.

02:38:55      **Motion:** Rep. White moved that **HB 239 DO PASS AS AMENDED.**

**Discussion:**

02:39:13      Rep. White  
02:39:42      Rep. Abbott  
02:40:30      Rep. Hamilton  
02:41:32      Rep. G. Hertz  
02:42:48      Rep. Flynn  
02:43:07      Megan Moore, LSD  
02:43:39      Rep. Fern  
02:43:58      Rep. Jacobson  
02:44:20      Megan Moore, LSD  
02:44:42      Rep. Kipp III  
02:45:07      Rep. G. Hertz  
02:45:33      Megan Moore, LSD  
02:47:54      Rep. Essmann  
02:48:19      Rep. Hamilton  
02:48:34      Rep. Jacobson  
02:49:44      Megan Moore, LSD  
02:50:52      Rep. White  
02:51:46      Rep. Essmann  
02:52:12      Rep. Flynn  
02:52:25      Rep. Jacobson  
02:54:05      Rep. Flynn  
02:54:18      Rep. Hamilton  
02:55:08      Rep. Flynn  
02:55:16      Rep. Fern  
02:55:41      Rep. White  
02:56:27      Rep. Flynn

02:56:38      **Motion:** Rep. Jacobson moved that **HB 239 BE CONCEPTUALLY AMENDED TO CHANGE "THREE YEARS" TO "SIX YEARS" WHERE NECESSARY.**  
Rep. White made an objection. Motion failed.

**Discussion:**

02:57:32      Rep. Dunwell  
02:57:55      Rep. White  
02:58:10      Rep. Essmann  
02:58:34      Rep. Flynn

02:59:11 **Motion:** Without objection, Rep. White withdrew the **DO PASS AS AMENDED** motion.

**Discussion:**

02:59:37 Megan Moore, LSD

**EXECUTIVE ACTION ON HB 331**

03:00:28 **Motion:** Rep. Essmann moved that **HB 331 DO PASS**.

03:01:20 **Motion:** Rep. Essmann moved that **HB 331 BE AMENDED**.  
[EXHIBIT\(tah29a03\)](#)

**Discussion:**

03:01:39 Megan Moore, LSD

03:01:56 Rep. Essmann

03:02:22 Rep. Dunwell

03:02:39 Megan Moore, LSD

03:03:16 Rep. Essmann

03:03:42 Rep. Dunwell

03:04:29 Megan Moore, LSD

03:04:42 Rep. Jacobson

03:05:02 Rep. Essmann

03:05:23 **Vote:** Motion carried unanimously by voice vote. Rep. Z. Brown, Rep. Ehli and Rep. G. Hertz voted by proxy.

03:06:24 **Motion:** Rep. Essmann moved that **HB 331 DO PASS AS AMENDED**.

03:06:52 **Motion:** Rep. Essmann moved that **HB 331 BE AMENDED**.  
[EXHIBIT\(tah29a04\)](#)

**Discussion:**

03:06:50 Megan Moore, LSD

03:07:33 Rep. Essmann

03:08:42 Rep. Jacobson

03:08:54 Megan Moore, LSD

03:10:34 Rep. Fern

03:11:01 **Vote:** Motion carried 15-5 by roll call vote with Rep. Abbott, Rep. Z. Brown, Rep. Dunwell, Rep. Jacobson and Rep. B. Smith voting no. Rep. Z. Brown, Rep. Ehli and Rep. G. Hertz voted by proxy.

03:12:38 **Motion:** Rep. Essmann moved that **HB 331 DO PASS AS AMENDED**.

**Discussion:**

03:12:52 Rep. Fern

03:14:03 Rep. Essmann

03:15:52 Rep. Jacobson

03:18:00 Rep. Hamilton

03:18:53 Rep. Abbott

03:19:12 **Vote:** Motion carried 11-9 by roll call vote with Rep. Abbott, Rep. Z. Brown, Rep. Dunwell, Rep. Ehli, Rep. Fern, Rep. Hamilton, Rep. G. Hertz, Rep. Jacobson and Rep. Kipp voting no. Rep. Z. Brown, Rep. Ehli and Rep. G. Hertz voted by proxy.

**ADJOURNMENT**

Adjournment: 03:24:14

---

Margot Miltenberger, Secretary

mm

Additional Documents:

**EXHIBIT**([tah29aad.pdf](#))